

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6630

BILL NUMBER: HB 1385

NOTE PREPARED: Feb 21, 2011

BILL AMENDED: Feb 17, 2011

SUBJECT: Discrimination in Premium Rates.

FIRST AUTHOR: Rep. Lehman

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill provides that certain property and casualty insurance premium rate differences are not unfairly discriminatory, unfair or deceptive acts or practices, or premium rebating.

Effective Date: July 1, 2011.

Explanation of State Expenditures:

Explanation of State Revenues: This bill will allow insurance companies to apply discriminatory insurance premium rates in certain instances. To the extent this bill results in increased insurance premium rates, state revenue will increase from the insurance premium tax. Revenue received from the insurance premium tax is distributed to the General Fund. Actual increases in state revenue from taxes on insurance premiums is indeterminable.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

Fiscal Analyst: Bill Brumbach, 232-9559.